

HB235 Revise limited liability company law
House Judiciary, RM 137
February 2, 2009 @ 8 AM
Secretary Linda McCulloch's Testimony

Comm Secy
EXHIBIT 3
DATE 2/2/09
NO. 235

Good morning, Mr. Chair, members of the committee.
For the record, I am Montana Secretary of State Linda McCulloch.

I am here today to support House Bill 235, an act creating a new form of entity in Montana, the Low-Profit Limited Liability Company – or L3C.

I would like to thank Representative Kottel for bringing this bill forward, as it would enhance business services in the Secretary of State's Office.

Our office currently has 11,237 active non-profit entities on file, with no provisions for distinguishing between charitable and non-charitable organizations.

Establishing an L3C would allow nearly 1,500 charitable businesses to properly register with the state at no additional cost to our Business Services Division.

L3C filing could not only help charitable businesses succeed by better positioning them to receive investments from other companies, a new entity could encourage business growth in Montana.

The bill also gives the Secretary of State's office authority to voluntarily dissolve an L3C--if the entity fails to meet the standard requirements. This is the same authority our office has over Limited Liability Companies.

Flourishing businesses are critical to the economic vitality and stability of Montana, and the Secretary of State's Office is committed to maintaining positive relationships with all businesses in the state.

House Bill 235 supports existing businesses, encourages new business growth and comes at no cost to state government.

It is a good bill and I ask for your support.
Thank you for your time.